

ACCA P4 – Advanced Financial Management

Practice & revision kit: FOR EXAMS FROM 1 SEPTEMBER 2017 TO 31 AUGUST 2018

Errata sheet: September 2017

Question	Page	Answer ref	Details of error and changes to be made
Q66 CMC		p.272	In the final line, 1.0651 should be 1.0659
Mock 3 Q4		p.432	Workings in a(i) give the correct answer but contain a formatting error, they should be as follows: Year 2 forward rate is calculated by comparing the borrowing costs for 2 years to the borrowing costs for 1 year = $(1.0425^2/1.037) - 1 = 4.8\%$ For Year 3, we compare the borrowing costs for 3 years to the borrowing costs for 2 years = $(1.047^3/1.0425^2) - 1 = 5.61\%$ For year 4: $(1.051^4/1.047^3) - 1 = 6.3\%$